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How advisors can use ABLE accounts for disabled clients
By Rob Burgess
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A relatively new option, the Achieving a Better Life Experience (ABLE) savings accounts were first created in 2014 as tax-advantaged savings accounts for those with disabilities.

Individuals with significant disabilities before age 26 are eligible. Starting in 2026, that starting age limit will rise to age 46.

"That opens up a good chunk of people who weren't previously eligible to use an ABLE account to start thinking about that as a tool for them," Elizabeth Yoder, founder of Dependent Financial Planning in Edgewater, Maryland, said during a recent webinar by the Foundation for Financial Planning. "These are people who are denied disability as a child or denied disability as an acquired injury, or as someone who had a late-onset, degenerative illness or disease that's lifelong, that those people will now have an opportunity to use the ABLE account."

The ABLE accounts can be opened by the beneficiary, parent, legal guardian or agent under a durable power of attorney.

ABLE accounts secure funds for disability-related expenses that public services do not cover, including education, housing, transportation, employment training, personal support services, assistive technology, medical expenses, financial management and legal expenses.

Jordan Gilberti, founder of Sage Wealth Group in New York City, told Financial Planning he has served many clients who have family members with special needs.

"In many cases, an ABLE account can be a powerful tool for families to provide for individuals with disabilities while preserving government benefits," he said.

Michael Allen Davis, a financial planner with Legs Financial in Greensboro, North Carolina, said the fact that ABLE savings accounts allow saving and investing without jeopardizing eligibility for needs-based public benefits "is a game-changer for individuals with disabilities and their families."

Gilberti said he encourages clients to maximize annual ABLE savings account contributions — $19,000 as of 2025 — if appropriate.

"It's important to reinforce to my clients that ABLE accounts help preserve eligibility for means-based benefits like Supplemental Security Income (SSI) and Medicaid while allowing for a tax-advantaged vehicle to save into," he said. "I

often remind my clients of the tremendous tax benefits of ABLE accounts. Earnings inside the account grow tax-free, and withdrawals are also tax-free if used for qualified disability expenses — and the list is long for what qualifies."

Rachel Ramos is the vice president and senior product manager of Capital Group, which is an ABLE investment account provider. The firm's ABLEAmerica accounts have been opened by over 4,000 families. She said these accounts work much like a 529 college savings plan and allow up to $100,000 in the account without being counted against one's $2,000 limit on personal assets to qualify for SSI.

"Education and awareness are key," she said. "An ABLE account offers many flexible benefits to help one foster health, independence and quality of life."

Natalie Pine, managing partner and advisor with Briaud Financial Advisors in College Station, Texas, specializes in helping individuals with disabilities and their families.

"The investments and expenses vary, but the very nature of the ABLE account is to be more of a use account than a savings and investment account," she said.

Check state-specific regulations

Pine said ABLE accounts also have debit cards associated many times so they can provide a level of independence for someone with special needs who may want to be more independent.

"In some states like California, you have to set up an ABLE to get the full SSI because rent is just that expensive," she said.

Gilberti said some states even provide an upfront tax deduction. He said for advisors working with disabled clients, it's incredibly important to stay current on state-specific ABLE programs.

"These will vary based on fees, investment options and the overall features of the plan," he said.

Davis said one key facet that people should understand is that the federal ABLE Act allows states to seek reimbursement from an ABLE account for Medicaid expenses paid on behalf of the beneficiary after the account holder's death.

"This is often referred to as 'Medicaid payback' or 'Medicaid recovery,' he said. "However, states have the ability to implement their own policies, so it can differ significantly from state to state with some enacting laws that limit or prohibit payback from ABLE accounts."

ABLE savings accounts versus special needs trusts

Gilberti said alongside ABLE savings accounts, he also recommends special needs trusts, particularly in cases where a client is trying to preserve larger

sums of money to ensure that a special needs child is provided for long after they are gone.

"A special needs trust can be absolutely crucial to ensuring the long-term financial viability of the disabled individual," he said.

Rather than choosing between an ABLE account and a special needs trust, Corneille said families should consider using both as part of a comprehensive financial and legal protection plan.

"It's not 'either-or,' but 'and,'" he said. "A big downside to ABLE accounts is the limited investment options. For this reason, funds meant to provide long-term support to the beneficiary that would eventually be left to a special needs trust might be better invested in a retirement plan, taxable account or used to fund a life insurance policy."

Pine said ABLE accounts are great tools to use if a relative unfamiliar with financial planning for someone with special needs makes them a beneficiary and leaves them money.

"You can take the asset that went to the person with special needs and put it into an ABLE to remove that asset from the original beneficiary's asset determination," she said.

Pine said a third-party special needs trust is a much better option for someone leaving money to a person with special needs, "but mistakes happen."

Gilberti said it's also essential to coordinate the planning with a qualified estate planning attorney, "ideally one with special needs experience."

Greg Corneille, a wealth advisor with Choice Wealth Management in Johns Creek, Georgia, said ABLE savings accounts are often misunderstood as a way to save for a disabled beneficiary's future long-term expenses, but they shouldn't be viewed as estate planning tools.

"It's better to think of them as flexible savings vehicles that can provide the beneficiary with some level of control and independence, when possible," he said.